

April 23, 2010

Maine Milk Commission Meeting Minutes  
Deering Building, Room 233  
Augusta, Maine 04333

Notices for the April 23, 2010 meeting were distributed to Commission members, intervenors and other interested parties March 19, 2010 and sent to the Secretary of State's Office for posting on March 22, 2010.

**Commission Present:** Colon Durrell, Richard Cook and Hal Prince, *ex-officio*

**Commission Absent:** Michael Wiers and John Joseph

**Department Officials:** None

**Staff Present:** Tim Drake, Executive Director, Audrey Shorty Resource Administrator and Carol Gauthier, Office Associate

**Legal Counsel:** Not present

**Intervenors Present:** John Blake, H.P. Hood, Inc., Thomas Brigham, Oakhurst Dairy, John Economy, Garelick Farms, Bob Wellington of Agri-Mark Cooperative, Dale Cole, President of the Maine Dairy Industry Association (MDIA) and Julie-Marie Bickford, Executive Director of MDIA.

**Others Present:** Mary Frank, public attendee.

Acting Chairman Durrell called the meeting to order at 1:36 p.m.

**Agenda Item 1: Minutes:** Richard Cook made a motion to accept the minutes of the March 19, 2010 meeting. Hal Prince seconded. Motion passed 3-0.

**Agenda Item 2: Amy Mills, Assistant Attorney General:** None.

**Agenda Item 3: Minimum Prices:**

Tim Drake reported that there is a prevailing premium of \$1.10/cwt on Class I for May 2010 reported by Dairy Marketing Services (DMS) and Agri-Mark Cooperative. In addition to this premium, both Agri-Mark and DMS reported that an additional \$0.43/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in affect. Federal Order One Class I price for May is \$17.05. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.58/cwt. He stated that this price schedule was for information purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Acting Chairman Durrell asked for testimony from the intervenors.

Julie-Marie Bickford stated that while the Maine Dairy Relief Program was functioning there was a cut made to payments to producers for March milk. She then informed the Commission of L.D. 1829 that has been enacted, this law instructs the administrator of the "tier" program to stretch the \$4 million allocated over eight months. The new legislature will revisit the issue in the next session.

Bob Wellington stated that there was a great deal of uncertainty in the dairy markets, cheese prices have dropped from \$1.70 to \$1.25 per pound. Milk production is up slightly nationwide especially in the upper Midwest where a great deal of cheese is made. Butter and milk powder prices are up which have helped

keep class I prices higher although low cheese prices will lower blend prices paid to producers. Mr. Wellington promised to keep the Commission informed of any changes through Tim Drake.

Tom Brigham asked what the price outlook was for 2011.

Bob stated that he thought prices would be higher than they are presently.

Dale Cole stated that USDA prices are minimum prices. He also stated that while producers were seeing a \$5 to \$6 drop in prices paid to them the prices at retail there has not been a corresponding drop in prices. He stated that if nothing was done to fix the “failed price system” all dairy producers in Maine would be lost.

No other testimony was offered.

Richard Cook made a motion to accept order 05-10 as prepared with a producer margin of \$1.58/cwt. Hal Prince seconded this motion. The motion passed 3-0

**Agenda Item 4: Maine Monthly Price Survey:** The Commission reviewed the Maine price survey for April 2010 which included prices for Augusta, Bangor/Brewer, Palmyra, South Portland and Brunswick.

IAMCA price survey for March was also reviewed

**Agenda Item 5: Next Scheduled Meetings:**

- May 21, 2010, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- June 18, 2010, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- July 23, 2010, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- August 20, 2010, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME

**Agenda Item 6: Other:**

1. **Milk Commission Budget:** The Commission reviewed the latest budget summary.
2. **Tier Program update:** Tim Drake gave a quick update on how much money has been paid out through the program and how much money was left in the budget for the remainder of the fiscal year.
3. **New Database update:** Tim Drake informed the Commission of progress made on a new database and that OIT would be giving a demonstration of Phase 1 on May 3<sup>rd</sup> and Commission members and interested parties were welcome to attend.
4. **New Cost of Production Study:** An update on plans for the new cost of production survey was given by Tim Drake. The new study will go out to a competitive bid process and would have two phases; phase one would be a survey/questionnaire of all dairy producers in Maine, phase two will collect financial data from selected representative farms in each tier after the first of the year. Rulemaking should start in March to ensure that the new number will be effective for July 2011.

**Agenda Item 7: Executive Session:** The Commission did not go into Executive Session.

**Adjourned:** Adjourned at 2:15 p.m. April 23, 2010.

Tim Drake, Maine Milk Commission